

25X1 NSC BRIEFING

26 June 1957

COMMUNIST REACTION TO MODERNIZATION OF US FORCES IN SOUTH KOREA

- I. Communist reaction to the American decision to modernize forces in South Korea has varied from mild to strong.**
- A. At Panmunjom armistice commission meeting on 26 June, Communists called for international political conference to settle Korean problem, withdrawal of forces, and cancellation of US modernization plan. First two are familiar themes.**
 - B. Moscow has taken a relatively soft line also calling for withdrawal of foreign forces and unification. Accuses US of turning its back on these goals, breaking truce agreement, and scheming for atomic war in Korea.**
 - C. North Korean propaganda similar. On 24 and 25 June, however, Pyongyang's comments on anniversary of Korean war warned that North Koreans "with support of countries in Socialist camp" will smash any US military move.**
 - D. Peiping's reaction the most belligerent. Chicom's warn that US move "seriously threatens" Korean armistice agreement. Peiping apparently regards agreement as only partially abrogated by US move, but vows "Korean-Chinese side would fight to defend" cancellation of entire agreement.**
 - 1. Latter threat apparently aimed at Syngman Rhee, who is charged with wanting to tear up the agreement and resume war.**
 - 2. Peiping also claims US increasing pressure against Chicom's on "three fronts"--South Korea, South Vietnam and Taiwan.**

II. Communist military unusually active in Southeast China.

A. According to ChiNat Ministry of National Defense (MND), ChiCom artillery shelling of Quemoy on 24 June totalled 9,355 rounds, heaviest ever. (Previous high 6,000 rounds on 3 Sept '54.)

- 1. A ChiCom radio broadcast claims only 3,000 ChiCom rounds fired.**
- 2. ChiNats delayed reporting of firing, released information to press before informing US.**

B. Possible reasons for increased shelling:

- 1. ChiCom retaliation against increased ChiNat harassment in Taiwan Strait area.**
- 2. ChiCom reaction to US decision to modernize forces in Korea.**
- 3. ChiCom reaction to ChiNat assertions that Amoy port to be kept closed. (ChiNats fired on British freighter White Bee entering Amoy 19 June and leaving 22 June.)**

C. ChiNats can bring shipping channel to Amoy under fire from all islands but Communist counter-fire could prevent effectiveness of Nationalist shelling.

- 1. Channel approach to Amoy about 18,000 yards from Big Quemoy.**

D. ChiComs probably see no need to occupy Erhtan, Tatan, and Little Quemoy since their artillery can smother Nationalist positions there.

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E. Amoy is best natural harbor on China coast between Hong Kong and Tsingtao.

1. Cargo working facilities, however, not adequate to make it a major port.

2. Recent completion of rail line to Amoy increases its value.

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